

19.15.34 NMAC - TRANSFER OF PERMIT OR REGISTRATION

The operator shall not transfer a permit or registration without the OCD's prior written approval. A request for transfer of a permit or registration shall identify operator (transferor) and transferee. If the OCD denies the transfer request, it shall notify the operator and the proposed transferee of the denial. Until the OCD approves the transfer and the required financial assurance is in place, the OCD shall not release the transferor's financial assurance, if applicable, and transfer the permit or registration to the transferee.

FACILITY INFORMATION:

Permit or Registration ID: fvv2035251226

Facility Name: DAGGER CONTAINMENT AND RECYCLING FACILITY

Legal Description:

Location: H-30-21S-33E (32.448578,-103.604951 NAD83)

From: Company Name: ADVANCE ENERGY PARTNERS HAT MESA, LLC (now merged into MRC Hat Mesa, LLC)

Company Address: 5400 Lyndon B Johnson Fwy, Unit 1500, Dallas, TX 75240

To: Company Name: MATADOR PRODUCTION COMPANY

Company Address: 5400 Lyndon B Johnson Fwy, Unit 1500, Dallas, TX 75240

CERTIFICATION:

ADVANCE ENERGY PARTNERS HAT MESA, LLC (now merged into MRC Hat Mesa, LLC), hereby requests that the above permit or registration be transferred to Matador Production Company.

Print Name: Cliff Humphreys

OGRID #: 372417

Signature: 

Date: 9/24/24

Title: Executive Vice President - Completions of MRC Hat Mesa, LLC, as the surviving entity by merger

Mailing Address: 5400 Lyndon B Johnson Fwy, Unit 1500, Dallas, TX 75240

Contact Telephone Number: 972-371-5288

Contact Email: chumphreys@matadorresources.com

Matador Production Company, by the officer whose signature appears below, accepts this permit or registration, and agrees to comply with all terms and conditions contained herein and with 19.15.34 NMAC. Matador Production Company further acknowledges that the OCD for good cause shown as necessary to protect fresh water, human health, and the environment may change such terms and conditions administratively. Matador Production Company also acknowledges that the surface owner has been notified of the transfer.

Accepted:

MATADOR PRODUCTION COMPANY

Print Name: Cliff Humphreys OGRID #: 228937

Signature:  Date: 9/24/24

Title: Executive Vice President - Completions

Mailing Address: 5400 Lyndon B Johnson Fwy, Unit 1500, Dallas, TX 75240

Contact Telephone Number: 972-371-5288

Contact Email: chumphreys@matadorresources.com

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-147
Revised April 3, 2017

Recycling Facility and/or Recycling Containment

Type of Facility: ☒ Recycling Facility ☒ Recycling Containment*
Type of action: ☒ Permit ☒ Registration
☐ Modification ☐ Extension
☐ Closure ☒ Other (explain) Transfer operatorship

* At the time C-147 is submitted to the division for a Recycling Containment, a copy shall be provided to the surface owner.

Be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Matador Production Company (For multiple operators attach page with information) OGRID #: 228937
Address: One Lincoln Center. 5400 LBJ Freeway. Suite 1500. Dallas, TX. 75240
Facility or well name (include API# if associated with a well): Dagger Containment and Recycling Facility adjacent to API #30-025-43302
OCD Permit Number: 1RF-459 (For new facilities the permit number will be assigned by the district office)
U/L or Qtr/Qtr H Section 30 Township 21S Range 33E County: Lea
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Recycling Facility:**
Location of recycling facility (if applicable): Latitude 32.448578 Longitude -103.604951 NAD83
Proposed Use: ☒ Drilling* ☒ Completion* ☒ Production* ☒ Plugging*
**The re-use of produced water may NOT be used until fresh water zones are cased and cemented*
☐ Other, *requires permit for other uses. Describe use, process, testing, volume of produced water and ensure there will be no adverse impact on groundwater or surface water.*
☒ Fluid Storage
☐ Above ground tanks ☒ Recycling containment ☐ Activity permitted under 19.15.17 NMAC explain type _____
☐ Activity permitted under 19.15.36 NMAC explain type: _____ ☐ Other explain _____
☐ For multiple or additional recycling containments, attach design and location information of each containment
☐ **Closure Report (required within 60 days of closure completion):** ☐ Recycling Facility Closure Completion Date: _____

3.
☒ **Recycling Containment:**
☐ Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)
Center of Recycling Containment (if applicable): Latitude 32.448578 Longitude -103.604951 NAD83
☐ For multiple or additional recycling containments, attach design and location information of each containment
☒ Lined ☒ Liner type: Thickness 60 mil ☐ LLDPE ☒ HDPE ☐ PVC ☐ Other 40 mil HDPE secondary
☐ String-Reinforced
Liner Seams: ☒ Welded ☒ Factory ☒ Other Field Welds Volume: 337,000 bbl Dimensions: L 480 x W 372 x D 17.7
☐ Recycling Containment Closure Completion Date: _____

4.

Bonding:

- ☒ Covered under bonding pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC (These containments are limited to only the wells owned or operated by the owners of the containment.)
- ☐ Bonding in accordance with 19.15.34.15(A)(1). Amount of bond \$ _____ (work on these facilities cannot commence until bonding amounts are approved)
- ☐ Attach closure cost estimate and documentation on how the closure cost was calculated.

5.

Fencing:

- ☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
- ☒ Alternate. Please specify 8 foot meshed-wire fence topped with barbed wire.

6.

Signs:

- ☒ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- ☐ Signed in compliance with 19.15.16.8 NMAC

7.

Variances:

Justifications and/or demonstrations that the proposed variance will afford reasonable protection against contamination of fresh water, human health, and the environment.

Check the below box only if a variance is requested:

- ☒ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. If a Variance is requested, include the variance information on a separate page and attach it to the C-147 as part of the application.
- If a Variance is requested, it must be approved prior to implementation.**

8.

Siting Criteria for Recycling Containment

Instructions: The applicant must provide attachments that demonstrate compliance for each siting criteria below as part of the application. Potential examples of the siting attachment source material are provided below under each criteria.

General siting**Ground water is less than 50 feet below the bottom of the Recycling Containment.**

NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☒ No
☐ NA

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

☐ Yes ☒ No
☐ NA

- Written confirmation or verification from the municipality; written approval obtained from the municipality

Within the area overlying a subsurface mine.

☐ Yes ☒ No

- Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division

Within an unstable area.

☐ Yes ☒ No

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map

Within a 100-year floodplain. FEMA map

☐ Yes ☒ No

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

☐ Yes ☒ No

- Topographic map; visual inspection (certification) of the proposed site

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

☐ Yes ☒ No

- Visual inspection (certification) of the proposed site; aerial photo; satellite image

Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application.

☐ Yes ☒ No

- NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site

Within 500 feet of a wetland.

☐ Yes ☒ No

- US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site

9.

Recycling Facility and/or Containment Checklist: Included in original C-147 as submitted by Advance Energy Partners in 06/2020**Instructions:** Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.

- ☒ Design Plan - based upon the appropriate requirements.
- ☒ Operating and Maintenance Plan - based upon the appropriate requirements.
- ☒ Closure Plan - based upon the appropriate requirements.
- ☒ Site Specific Groundwater Data -
- ☒ Siting Criteria Compliance Demonstrations -
- ☒ Certify that notice of the C-147 (only) has been sent to the surface owner(s)

10.

Operator Application Certification:

I hereby certify that the information and attachments submitted with this application are true, accurate and complete to the best of my knowledge and belief.

Name (Print): Cliff Humphreys Title: EVP Completions
Signature:  Date: 10/04/2024
e-mail address: chumphreys@matadorresources.com Telephone: 972.371.5288

11.

OCD Representative Signature: Victoria Venegas Approval Date: 11/26/2024Title: Environmental Specialist OCD Permit Number: 1RF-459

- ☒ OCD Conditions _____
☐ Additional OCD Conditions on Attachment _____

X

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.371.5288

chumphreys@matadorresources.com

Cliff Humphreys
Executive Vice President of Completions

October 8, 2024

VIA ELECTRONIC SUBMISSION

Ms. Victoria Venegas
Environmental Bureau
New Mexico Oil Conservation Division
506 W. Texas Ave.
Artesia, NM 88210

Re: Dagger 2 Containment (Permit ID: fVV2101450862; 1RF-461)
and
Dagger Containment and Recycling Facility (Permit ID: fvv2035251226; 1RF-459)

Dear Ms. Venegas,

I am writing in connection with Matador Production Company's request to transfer the above-referenced containment and facility permits to Matador Production Company.

An affiliate of Matador Production Company previously acquired Advance Energy Partners Hat Mesa, LLC. Advance Energy Partners Hat Mesa, LLC has since been merged into MRC Hat Mesa, LLC. The operatorship of the wells previously operated by Advance Energy Partners Hat Mesa, LLC has been transferred to Matador Production Company and we are similarly requesting the transfer of the above-referenced containments and facility into Matador Production Company.

These related containments and facility are both used for the recycling and treatment of produced water in connection with Matador Productions Company's operations, whether it be through using the recycled produced water in completions activities for Matador Production Company's wells or disposing of the recycled produced water by offloading it to third-party midstream companies in lieu of Matador injecting the water in a saltwater disposal well.

If you would like any additional information, please let us know.

Sincerely,



Cliff Humphreys

From: [Venegas, Victoria, EMNRD](#)
To: [Cliff Humphreys](#)
Cc: [Ben Snapka](#)
Subject: RE: [EXTERNAL] RE: 19.15.34 NMAC - TRANSFER OF PERMIT OR REGISTRATION
Date: Wednesday, October 16, 2024 9:39:08 AM

****EXTERNAL EMAIL****

Good morning Mr. Humphreys,
Please submit your documentation via OCD Permitting for consideration and review.
Thank you for your cooperation.
Regards,

Victoria Venegas • Environmental Specialist
Environmental Bureau
EMNRD - Oil Conservation Division
506 W. Texas Ave. Artesia, NM 88210
(575) 909-0269 | Victoria.Venegas@emnrd.nm.gov
<https://www.emnrd.nm.gov/o cd/>



From: Cliff Humphreys <chumphreys@matadorresources.com>
Sent: Wednesday, October 9, 2024 4:14 PM
To: Venegas, Victoria, EMNRD <Victoria.Venegas@emnrd.nm.gov>
Cc: Ben Snapka <BSnapka@matadorresources.com>
Subject: [EXTERNAL] RE: 19.15.34 NMAC - TRANSFER OF PERMIT OR REGISTRATION

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Ms. Venegas,

Please find the Transfer of Permit or Registration form for the following containments including a new copy of the C-147 with Matador Production Company listed as the operator. The C-147 is populated according to the previous registrations that were submitted by Advance Energy Partners in 2020. Additionally, please accept the attached letter that indicates Matador Production Company's intended purpose for these containments and facility.

Permit or Registration ID: fw2035251226

Facility Name: DAGGER CONTAINMENT AND RECYCLING FACILITY

Permit or Registration ID: fw2101450862

Facility Name: DAGGER 2 CONTAINMENT

There is a third containment as well for which we would like to receive your guidance.

Permit or Registration ID: fOY1807136904

Facility Name: Merchant Recycling Containment

The registration for this containment expired in March of 2023, which is five years following the initial C-147 submission. The previous operator submitted a plan for closure immediately before Matador Production Company took over these assets. To the best of our knowledge, this pit has not been used for produced water storage since its expiration, and Matador Production Company does not have intentions to use this containment for produced water storage in the future. Matador Production Company would like to request permission to convert this containment into a fresh-water storage pit to be used on future Matador Production Company drilling and completion operations, and to subsequently postpone the closure of this pit while it is used for this purpose. This containment is on Fee land. Can you please advise us as to the process of this conversion?

Thank you for your assistance in this process.

CLIFF HUMPHREYS

Executive Vice President of Completions

Matador Resources Company

Direct: [972-371-5288](tel:972-371-5288)

Cell: [940-704-3268](tel:940-704-3268)

Fax: [214-866-4888](tel:214-866-4888)



From: Venegas, Victoria, EMNRD <Victoria.Venegas@emnrd.nm.gov>

Sent: Thursday, October 3, 2024 8:12 AM

To: Cliff Humphreys <clumphreys@matadorresources.com>

Subject: 19.15.34 NMAC - TRANSFER OF PERMIT OR REGISTRATION

****EXTERNAL EMAIL ****

Good morning Ms. Humphreys,

For a transfer of permit or registration, please complete the attached form. Also, please include the C-147 and a letter with a certified signature and a date that clearly indicates the new operator's

intended purpose for the recycling containments.

If the containments will be limited only to wells that are owned or operated by the new operator and the new operator is covered by NMAC 19.15.8, the rule does not require additional financial assurance.

However, if these containments are not for the new operator's own wells, then they must submit a closure cost estimate that includes all requirements of 19.15.34.14 to complete the transfer.

All the documentation must be submitted via OCD Permitting and the C-147 Long should have the box "Other" checked and "Transfer of Permit/Registration" as the explanation of "Other."

Please let me know if you have any additional questions.

Regards,

Victoria Venegas • Environmental Specialist

Environmental Bureau

EMNRD - Oil Conservation Division

506 W. Texas Ave. Artesia, NM 88210

(575) 909-0269 | Victoria.Venegas@emnrd.nm.gov

<https://www.emnrd.nm.gov/oed/>



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Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Tuesday, November 26, 2024 2:35 PM
To: Ben Snapka; Cliff Humphreys
Subject: TRANSFER OF PERMIT OR REGISTRATION 1RF-459 - DAGGER CONTAINMENT AND RECYCLING FACILITY [fVV2035251226]
Attachments: C-147 1RF-459 - DAGGER CONTAINMENT AND RECYCLING FACILITY [fVV2035251226] 11.26.2024.pdf

1RF-459 - DAGGER CONTAINMENT AND RECYCLING FACILITY [fVV2035251226]

Good afternoon Mr. Snapka.

NMOCD has reviewed the permit/registration transfer application received from [372417] ADVANCE ENERGY PARTNERS HAT MESA, LLC to transfer permit 1RF-459 - DAGGER CONTAINMENT AND RECYCLING FACILITY [fVV2035251226] from [372417] ADVANCE ENERGY PARTNERS HAT MESA, LLC to MATADOR PRODUCTION COMPANY [228937]. The form C-147 and related documents are approved for the transfer of permit/registration with the following conditions of approval:

- **MATADOR PRODUCTION COMPANY [228937] will comply with all conditions previously approved for permit 1RF-459 - DAGGER CONTAINMENT AND RECYCLING FACILITY [fVV2035251226]. No changes to the operations procedures, maintenance, and monitoring procedures, or closing procedures will be made and 1RF-459 - DAGGER CONTAINMENT AND RECYCLING FACILITY [fVV2035251226] must operate as originally permitted. 1RF-459 - DAGGER CONTAINMENT AND RECYCLING FACILITY [fVV2035251226] permit expires on June 11, 2025.**
- A minimum of 3-feet freeboard must be maintained at 1RF-459 - DAGGER CONTAINMENT AND RECYCLING FACILITY [fVV2035251226] at all times during operations.
- If less than 20% of the total fluid capacity is utilized every six months, beginning from the first withdrawal, operations of the 1RF-459 - DAGGER CONTAINMENT AND RECYCLING FACILITY [fVV2035251226] are considered ceased and a notification of cessation of operations should be sent electronically to OCD Permitting. A request to extend the cessation of operations, not to exceed six months, may be submitted using a C-147 form through OCD Permitting. If after that 6-month extension period, 1RF-459 - DAGGER CONTAINMENT AND RECYCLING FACILITY [fVV2035251226] is not utilized at a minimum of 20% fluid capacity, no additional extensions would be granted, and the operator would be directed to remove all fluids and proceed with the closure requirements.
- MATADOR PRODUCTION COMPANY [228937] shall submit monthly reports of recycling and reuse of produced water, drilling fluids, and liquid oil field waste on OCD form C-148 via OCD Permitting even if there is zero activity.
- MATADOR PRODUCTION COMPANY [228937] must inspect the 1RF-459 - DAGGER CONTAINMENT AND RECYCLING FACILITY [fVV2035251226] recycling containment and associated leak detection systems weekly while it contains fluids per 19.15.34.13(A). MATADOR PRODUCTION COMPANY [228937] shall maintain a current log of such inspections and make the log available for review by the division upon request.

Please let me know if you have any additional questions.

Regards,

Victoria Venegas • Environmental Specialist Advanced
EMNRD - Oil Conservation Division

506 W. Texas Ave. Artesia, NM 88210
575.909.0269 | Victoria.Venegas@emnrd.nm.gov

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 406104

CONDITIONS

Operator: ADVANCE ENERGY PARTNERS HAT MESA, LLC 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	OGRID: 372417
	Action Number: 406104
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
venegas	The form C-147 and related documents are approved for the transfer of permit/registration with the following conditions of approval: • MATADOR PRODUCTION COMPANY [228937] will comply with all conditions previously approved for permit 1RF-459 - DAGGER CONTAINMENT AND RECYCLING FACILITY [FVV2035251226]. No changes to the operations procedures, maintenance, and monitoring procedures, or closing procedures will be made and 1RF-459 - DAGGER CONTAINMENT AND RECYCLING FACILITY [FVV2035251226] must operate as originally permitted. 1RF-459 - DAGGER CONTAINMENT AND RECYCLING FACILITY [FVV2035251226] permit expires on June 11, 2025.	11/26/2024